The Saturday Review

Financial Supplement

Conducted by Hartley Withers

No. 3467. Vol. 133. 8 April 1922 [REGISTERED AS A NEWSPAPER.] 6d

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The Outlook

Cheering events in recent financial history have been the apparent readiness both of the shipbuilding and engineering workers to recognize that industrial strife is suicidal, in their own interests, at a time of trade depression, and the issue of the Czecho-Slovakian loan. This operation, on behalf of a State that was formerly part of an enemy Power, is a definite step towards the establishment of economic peace, and its simultaneous issue in New York, Amsterdam and London is evidence of that international co-operation among the business interests of comparatively prosperous countries for the strengthening of the financial beginners, which will do more practical good than conferences thronged by politicians and official experts. At the same time the borrowing State, by consenting to pledge its customs and tobacco revenues, has done its best to provide investors with a watertight security; and the promise by which it binds itself to undertake the obligations that will be adjudged to it, in the shape of its share of the Austrian debt, is further evidence of good faith. If the great Governments would give us peace and retrenchment and leave industry and finance free to work out recovery, recovery might make quite astonishing progress.

Money and Exchanges

There was the usual reaction after the end of March and money soon became much more plentiful, in spite of the repayment to the Bank of England of the whole of the big amounts borrowed during the last days of the financial year that has just closed. It was noted, however, that notwithstanding Government's interest payments on the 1st and 5th, money did not become quite as abundant as the optimists had hoped. They were also disappointed on Thursday by the absence of the reduction in the Bank Rate, on which they had confidently counted. Among foreign exchanges sterling rose in New York and then fell back. Amsterdam moved in our favour, and German currency improved in value.

The Government Accounts

The last week of the financial year brought a useful spurt on the part of revenue which was £11 millions ahead of expenditure, and so breasted the tape with a lead on the year of over £45½ millions. As the original estimate was for a surplus of about £80 millions, the taxpayers of the country have certainly paid up like Trojans when we consider that the year included the coal stoppage, civil war in Ireland and other unexpected expenses, to say nothing of a thick fog of industrial depression, pierced only by occasional short-lived gleams that mocked us with hopes of trade recovery. But the year's good results are largely produced by prosperity won in years that are past, and the Chancellor of the Exchequer warned the House of Commons on Tuesday that our position for the current year was much worse owing to lower income tax yield and diminished receipts from sales of war stores; and that the year 1923-24 "was going to confront them with far more serious financial problems than the year 1922-3. The revenue to be obtained from income-tax would have two bad years in the three upon which the average would be based, instead of one. Miscellaneous receipts, so far as they were of a special kind, would have disappeared altogether, and instead of finding £25 millions for interest on debt to the United States, they would have to find £50 millions."

STOCK MARKET LETTER

The Stock Exchange has been making hay while the snow fell. The cheerfulness of markets mentioned here last week developed into something like buoyancy during the past few days. Bank Rate talk in everybody's mouth proved a pleasant topic. Stock Exchange jesters advised their more sober friends that an infallible way of making money was to sell a bear of Bank Rate and to buy a bull of War Loan. Business is broadening, extending, increasing day by day. One market after another picks up the running made by the investor, the speculator, the out-and-out gambler. The last-named is he who, wanting to get away for a few days at Easter, tries to make his expenses in advance by what he calls a Stock Exchange flutter. It all brings business into the markets.

Prophecies as to a fall in the Bank Rate are contangoed to next week. The Stock Exchange laughed when the "No change" went up. It made no difference to prices. I had to give 99⅞ for War Loan soon after eleven o'clock. Somebody else paid 99$\frac{15}{16}$. Both bargains were marked. The rise brought in a few sellers.

The presence of too many "stags" accounts for the heaviness noticeable in P.L.M., Midi, Orleans and Nord Railway issues. Brazilian bonds are being bought by the speculative investor who regards present prices as offering sufficient temptation to make the risk worth acceptance; and there is talk of a big new loan on the way. Germans went down to 2⅛ before they recovered about half a point. There is still a little mild speculation left in German Threes, though practically no market in either of the other classes. In Home Rails, however, the broadening of business is most noticeable. The dealers, tossed about rather like corks in a sea of hundreds of men incessantly passing in different directions through their market, hardly know what to make of things. Some of them got caught out of stock pretty badly, but on the whole the rise in Home Railways must have done the market substantial good, and not a man in the Stock Exchange will begrudge the money which jobbers in the Home Railway market are able to make. The rises this week proved too fast. What men fear is an inclination to sell on an extended scale before Easter; sharp collapse would be bound to follow. Midland Deferred, by the way, have been up to 62¼, which is not so very far from the 68½ at which the stock stood at the outbreak of war.

Mexico is a name to conjure with at the moment. Most things connected with the country in the way of stocks and shares has advanced this week. Mexican Government bonds stand out with material improvement. Mexican Railways are good. Investors who for a long while past have been watching Mexican utility issues, are beginning to send in orders to the market to buy stock at prices which, of course, are now no longer ruling. The same people miss the same boat in the Mexican utility market year after year; they cannot bring themselves to buy stock when prices are flat. Mexican Eagles, in the oil market, have gone ahead sharply, though not in the same rapid manner as Shells and Anglo-Persians. The oil market is greatly intrigued by the rumour that the Shell and Anglo-Persian are about to amalgamate. Everybody professes to disbelieve it: everybody is ready to lend an eager ear to the slightest whisper concerning it. The feature here, however, is the jump in Phœnix, the price having risen from the ashes of 12s. 6d. to 30s. 3d., on the bringing in of a few new wells. People think that Phœnix are sufficiently high at 30s., having regard to the present developments on the property.

JANUS.

THE BUSINESS SIDE OF GENOA

IN his speech in the House last Monday, Mr. Lloyd George told us that at Genoa there will be gathered together the representatives of nearly thirty nations, because Europe from the Atlantic to the Urals is a devastated area; that one of the first problems with which the Conference will have to deal is the restoration of the machinery of international trade. Our international trade last year was only about 50 per cent. of what it was before the war, while that of Germany was, as far as the Prime Minister had been able to ascertain, about 25 per cent. In the case of France also, though the addition of Alsace-Lorraine and the Saar Valley for economic purposes to France have given a flattering appearance to French trade figures, the export trade of France is down by "something like one half," when allowance is made for this complication. Answering the question which is often asked, why we cannot, if we lose our trade in Europe, make it up by trading with the Dominions and other parts of the world, Mr. Lloyd George very ably showed that our customers depend upon their sales in European countries to pay for goods that we sell them. Taking the example of India, he stated that India is not buying from this country what she bought before the war, and that the main reason is that India has always paid us for the goods we sell her by the proceeds of her sales to other European countries. "She pays us what she gets from selling to Germany, to France, to Austria, and to Russia. What applies to India applies to Australia, to the Argentine, and to other parts of the world." The Prime Minister proceeded to maintain that international trade has broken down not merely because Europe is impoverished, but because the machinery of exchange has also been shattered. "Currency," he said, "has gone adrift. It has broken from its moorings and is drifting hopelessly, and one of the first things to be attended to at the Genoa Conference is the question of restoring the exchanges." Before trade can be fully restored the Prime Minister showed that it was necessary to establish everywhere the convertibility of currency into gold or its equivalent—"gold directly or indirectly by convertibility into liquid assets and lodged in the banks of a country maintaining a free gold market." This he said may, and will, involve devaluations of currencies, "but the world cannot afford to wait until currency is restored to par." In order to achieve this stabilization of currency, it is necessary, as Mr. Lloyd George very truly pointed out, to induce nations to balance their budgets. "Until they do that, new issues of notes will debase the currency and exchange will become wilder and wilder. That is a matter where pressure can be exercised at a great international Conference of the leading Ministers of the various nations." If Mr. Lloyd George really thinks that the nations can be induced to balance their budgets by conferences between finance ministers, all of whom will agree that it would be a very nice thing to do, this great opportunist must surely be losing his hitherto almost uncanny sense of what is feasible and what is not. And is he quite sure that his own Chancellor of the Exchequer, who has had to postpone the bringing in of his Budget at the usual time in order that he, too, may join in the international chatter at Genoa, is really going to balance that Budget when he finally brings it in? Mr. Lloyd George went on to say—what everybody has been saying for three years—that it is above all essential that there shall be real peace between the nations, because "until that is established the trader, the financier and the merchant, are unnerved by the present conditions of things—gathering armies on the frontiers, red armies, and white armies, and armies of many other colours." He stated that perhaps the most controversial part of the issue which will come before the Genoa conference is the question of peace in Russia and peace with Russia. He does not believe we can restore trade, business and employment until the whole of Europe is appeased.

From this summary of those portions of Mr. Lloyd George's speech, which were chiefly devoted to business questions, it will be seen that though he has put the problem in a very clear light, he has not really brought forward any consideration which was not in the minds and expressed in the utterances of the delegates who met a year ago last Autumn at the Brussels Conference, and there enunciated most practical and unimpeachable economic doctrine which was applauded by the world, endorsed by the Governments represented, and has been steadily ignored ever since by most of them in dealing with financial problems. In fact, he left out the need which was strongly insisted on at Brussels for freeing the world's commerce as far as possible from the trade barriers, a matter in which the Government of which he is head has set a vicious example to the rest of the world. Apart from this rather important omission his speech, admirable as it was as a survey of Europe's economic problem, was very much less effective as an argument in favour of holding a Conference at Genoa, or anywhere else. Mr. Lloyd George cannot really believe that the holding of the Conference is going to make the nations balance their budgets, and he must be very optimistic if he expects that any practical result is going to follow from a discussion at Genoa of the question of devaluation of currencies and stabilization of exchanges. Nothing can be done in this direction until Europe can see more clearly how it is going to stand with regard to the problem of reparations and of inter-Allied debts. With these problems left out of the bill of fare it seems only too likely that from the point of view of trade revival and financial rehabilitation the Genoa Conference is likely to do more harm than good. As long as constant conferences are being held and everybody is being assured that these problems are international problems and can only be settled through agreements between all the nations that are concerned, there is a constant temptation for those countries that are, or think themselves specially impoverished, to look to their fortunate neighbours for assistance in their economic problems instead of getting seriously to work to deal with themselves. As the Prime Minister said you cannot stabilize exchange until currency is regulated by the balancing of budgets. No nation can balance another one's budget in the true sense of the phrase. Each one of the national units has to carry out this first and most urgent reform for itself. This was clearly shown to them at Brussels and they have been almost unanimous in neglecting to do

so. Are they likely to be persuaded to turn into the austere path of fiscal reform by any incantations which may be produced at Genoa?

HARTLEY WITHERS.

THE NEW REPUBLICS

FROM A CORRESPONDENT RECENTLY IN CENTRAL EUROPE

A CASUAL visitor to any country must beware of two pitfalls, generalizations and superficial impressions, and this rule applies just now with especial force to Central Europe. Nevertheless, at his journey's end, the student of both national psychology and economics will arrive at a permissible generalization, the broad conclusion of universal disillusionment. There are few, if any, countries in Europe which can be free from this complaint. The former Central Empires may be said to be deservedly disillusioned, because the aims of conquest with which their rulers had entered upon the war proved justly unattainable. The Entente nations have also, however, been robbed of their illusions, because they have discovered that the defeat of the greedy militarism of their late enemies has brought neither relief from political anxieties, nor that appreciable reduction of financial burdens, upon which national as well as individual comfort depends. Neutrals, in their turn, have learned that their trade and general economic well-being are adversely influenced by the troubles which have overtaken former belligerents.

Confusion and bewilderment reign on all sides; statesmen are confronted by novel social and financial riddles; and, at best, they grope in darkness for the correct solutions. Unintentional rather than wilful misinterpretations of mutual difficulties aggravate the situation, and he would render an ill service to British commerce and industry, if an observer of continental conditions were to make no endeavour to remove misunderstandings which arise frequently from comparisons based upon pre-war experiences.

Perhaps the most common error has been made in regard to the real as distinguished from the rate of exchange value of national money. The fact which emerges most clearly from an unbiased examination of economic affairs in Germany and the Austrian Succession States is the wide gulf which separates the local purchasing power of the Mark or Crown from the hourly fluctuating price set upon these elusive currencies. It is necessary to appreciate this difference in order to apply a just measure to the incidence of taxation, which ex-enemies have to bear, and in order to avoid false conclusions as to railway rates, postal charges and the general cost of living, as compared with conditions on our side of the Channel.

Dealing, for the moment, with Germany, it must be obvious to all that business, even in the interior, would long ago have become utterly impossible if commodities, wages and general charges were to fluctuate from day to day with the varying value of the Mark at, say, London or New York. Within the last fortnight the Paper Mark fell to fully one-seventieth of its gold value, but the cost of living in Germany has in very few cases risen to more than twenty to thirty times its pre-war level, while some public services are rendered at only fifteen times their cost in 1914. Wages and salaries, now twelve to fifteen-fold, exhibit no corresponding advance, with the natural result that the working classes are unable to provide themselves with all necessaries of life.

It needs only a stroll through the meaner streets of an industrial town in Germany in order to grasp the fact that to a German worker, and particularly to his wife, the Paper Mark is still a Mark, not one-twentieth and still less one-sixtieth or seventieth of the vanished silver coin of pre-war days. In the poor quarter of Frankfort-on-the-Main, around the "Roemer" (where the Emperors of the Holy Roman Empire were nominally elected), prices of essential foodstuffs are still quoted in Pfennigs, and there the writer overheard intending purchasers discuss, outside the shop windows, the necessity of some minutes' stroll in order to save four, six or eight Pfennigs, which at only 1,000 Marks to the £, represent the twenty-fifth, sixteenth or twelfth part of—¼d.! No other argument is required—especially coupled with a comparison of present and pre-war earnings—in order to understand the error of comparing British and German taxation at the current exchange of the day.

Superficial views of quite another kind lead to equally wrong conclusions. On Sundays, local railways and municipal tramways are most uncomfortably overcrowded with excursionists to woods, rivers or lakes. This national habit is largely due to the German's love of his children, but the mysterious paper parcels taken on these picnics have shrunk since 1914. The family wardrobe has become the chief sufferer; boots, even those made of leather substitutes, are not replenished as often as the climate demands, and woollen and cotton garments, for underwear and clothes, are to-day beyond the reach of the purse of factory-hand or agricultural labourer.

This contrast between earnings and cost of living explains the spirit of unrest among the working classes, of which naturally the most is made by German politicians who resist the demands of the Allies for increased taxation. It would lead us beyond the scope of these general impressions to explain that a re-arrangement of Germany's taxes would achieve the aim which allied financial experts have in view, namely, the balancing of the budget after providing for the much-reduced cash reparations. In spite of the fact that a so-called Socialist Government is in power, the graduation of direct taxes still favours the well-to-do and especially the big landowners. The lack of political training of the German masses is no less in evidence to-day under the Republic than it was in the days of the Emperor, when autocracy ruled unchallenged notwithstanding universal male suffrage. For this reason, the uprooting of the bad old fiscal system presents almost insuperable difficulties, while the demands of Allied statesmen for larger cash payments are made the pretext for threats of new indirect taxes to be borne mainly by the impoverished workers.

Although Austria knows no Reparation problem, its disillusionment is much more pronounced than Germany's discomfiture. The most productive industrial and agricultural provinces of the old Dual Monarchy now belong to independent republics, and Austria proper, although a country of factories and owning a population of about six million consumers, has to import foodstuffs and raw materials from more or less jealous neighbours. The adverse trade balance of the country is its root evil, and the resulting depreciation in its currency is only too plainly reflected in the loss of buoyancy of the population. Vienna in particular, for a century one of the gayest capitals of Europe, is unmistakably poverty-stricken and depressed. The tourist who frequents only the famous principal streets, visits the places of entertainment and stays at one of the few hotels of international repute, must gather an altogether misleading, because quite superficial, impression. The depreciation of Austrian currency to much less than one-thousandth part of its pre-war value has attracted a large floating population of foreigners whose income, derived from less unhappy countries, enables them to indulge in extravagant living altogether beyond the means of the Viennese. The chief sufferers are as elsewhere, only to an infinitely greater degree, people dependent upon pensions and other fixed sources of revenue, but even the salaried and working classes are far worse off than in Germany. Wages in the principal industries have risen an average to about 600 times their pre-war figures, while the purchasing power of the Austrian Crown has fallen to a greater extent, although also here the decline fails to keep pace with the discount at which Austrian currency is quoted.

FIGURES AND PRICES

PAPER MONEY (in millions).

		Latest Note Issue.	Stock of Gold.	Ratio Gold to Notes.	Previous Note Issue.	Note Issue Mar. 31, 1921.
European Countries				%		
Austria	Kr.	265,815	?	—	259,931	41,067
Belgium	Fr.	6,244	267	4	6,272	6,105
Britain (B.of E.)	£	103	157	38	107	110
Britain (State)	£	300			325	343
Bulgaria	Leva	3,570	63†	1†	3,592	3,217
Czecho-Slov.	Kr.	10,155	953†	9†	10,489	10,922
Denmark	Kr.	398	228	57	407	517
Esthonia	Mk.	350	343†	98†	250	—
Finland	Mk.	1,444	43	3	1,450	1,476
France	Fr.	35,528	5,525	15	35,281	38,435
Germany	Mk.	122,903	996	—	122,120	69,417
Greece	Dr.	2,123	140	65†	2,116	1,603
Holland	Fl.	962	613†	63†	964	1,037
Hungary	Kr.	28,314	?	—	27,522	15,650
Italy (Bk.)	Lire	14,547	1,421	10†	13,273	14,649
Jugo-Slavia	Dnrs.	4,704	74	1	4,696	3,500
Norway	Kr.	368	147	39	369	433
Poland	Mk.	247,209	28	—	240,000	74,087
Portugal	Esc.	748	9	1	738	635
Roumania	Lei	13,690	4,582	33	13,709	10,962
Spain	Pes.	4,134	2,520	60	4,166	4,255
Sweden	Kr.	554	274	49	569	717
Switzerland	Fr.	785	549	69	800	985
Other Countries						
Australia	£	56	23	41	58	59
Canada (Bk.)	$	163	165	36	194	206
Canada (State)	$	269			269	278
Egypt	£E	35	3	8	36	34
India	Rs.	1,746	24	13	1,729	1,662
Japan	Yen	1,246	1,246†	111†	1,118	1,106
New Zealand	£	8	8†	100†	8	8
U.S. Fed Res.	$	2,183	2,976	136	2,189	2,930

†Total cash.

GOVERNMENT DEBT (in thousands)

	Mar. 31, '22.	Mar. 25, '22.	Mar. 31, '21.
	£	£	£
Total deadweight	7,626,673	7,636,746	7,492,183
Owed abroad	1,085,114	1,084,152	1,126,321
Treasury Bills	882,219	893,861	1,120,841
Bank of England Advances	—	—	—
Departmental Do.	147,301	140,895	154,489

NOTE.—The highest point of the deadweight debt was reached at Dec. 31, 1919, when it touched 8,033 millions. On March 31 1921 it was 7,574 millions. Of the increase shown since then 102 millions represent a nominal addition, due to a conversion scheme.

GOVERNMENT ACCOUNTS (in thousands)

	Mar. 31, '22.	Mar. 25, '22.	Mar. 31, '21.
	£	£	£
Total Revenue from Ap. 1	1,124,880	1,075,346	1,425,985
,, Expenditure ,, ,,	1,079,187	1,040,687	1,195,428
Surplus of Deficit	+45,693	+34,659	+230,557
Customs and Excise	324,343	321,936	333,785
Income and Super Tax ...	398,887	377,648	394,166
Stamps	19,638	18,159	26,591
Excess Profits Duties ...	30,452	29,714	219,881
Post Office	56,400	54,500	49,500
Miscellaneous—Special ...	170,806	151,822	287,940

BANK OF ENGLAND RETURNS (in thousands)

	Apr. 5, '21.	Mar. 29, '22.	Apr. 6, '21.
	£	£	£
Public Deposits	24,163	30,037	21,495
Other ,, ...	122,365	120,504	124,212
Total	146,528	150,541	145,707
Government Securities ...	59,399	46,319	31,698
Other ,, ...	80,378	97,931	124,213
Total	122,897	144,250	155,911
Circulation	139,777	122,719	129,215
Do. less notes in currency reserve	103,447	103,269	109,765
Coin and Bullion	128,879	128,771	128,348
Reserve	24,432	24,502	17,583
Proportion	16.7%	16.2%	12⅛%

CURRENCY NOTES (in thousands)

	Apr. 5, '22.	Mar. 29, 22.	Apr. 6, '21.
	£	£	£
Total outstanding	302,977	300,351	342,560
Called in but not cancld.	1,649	1,654	2,202
Gold backing	28,500	28,500	28,500
B. of E. note, backing ...	19,450	19,450	19,450
Total fiduciary issue	253,378	250,747	292,408

BANKERS CLEARING RETURNS (in thousands)

	Apr. 5, '22.	Mar. 29, 22.	Apr. 6, '21.
	£	£	£
Town	861,642	622,106	704,886
Metropolitan	36,434	29,325	39,245
Country	62.332	50,435	77,457
Total	960.408	701,866	821,588
Year to date	10,965,877	10,005,469	9.945,171

LONDON CLEARING BANK FIGURES (in thousands)

	Feb., '22.	Jan., '22.	Apr., '21.
	£	£	£
Coin, notes, balances with Bank of England, etc....	210,351	212,722	204,983
Deposits	1,847,789	1,872,230	1,751,719
Acceptances	63,352	64,085	63,585
Discounts	403,622	442,752	278,302
Investments	378,151	349,830	322,784
Advances	765,677	770,144	869,901

MONEY RATES

	Apr. 6, '22.	Mar. 30, '22.	Apr. 6, '21.
	%	%	%
Bank Rate	4½	4½	7
Do. Federal Reserve N.Y.	4½	4½	7
3 Months' Bank Bills ...	2 13/16	3 1/16-⅛	6⅛
6 Months' Bank Bills ...	2 13/16	3 1/16-⅛	5⅞-6¼
Weekly Loans	3	3	5½

FOREIGN EXCHANGES (telegraphic transfers)

	Apr. 6, '22.	Mar. 29, '22.	Apr. 6, '21.
New York, $ to £	4.38⅝	4.36¾	3.91¾
Do., 1 month forward ...	4.38⅝	4.36¾	—
Montreal, $ to £	4.51¼	4.49½	4.39¼
Mexico, d. to $	26½	26½	32d.
B. Aires, d. to $	43⅜	44¾d.	45 1/16d.
Rio de Jan., d. to milrs....	7⅝d.	7½d.	8⅝d.
Valparaiso, $ to £	40.20	39.70	—
Montevideo, d. to $	42⅞d.	43⅜d.	42½d.
Lima, per Peru £	24% prem.	28% prem.	—
Paris, frcs. to £	48.15	48.53	55.30½
Do., 1 month forward ...	48.15	48.53	—
Berlin, marks to £	1,350	1,431	242
Brussels, marks to £......	52.00	52.15	53.12½
Amsterdam, fl. to £	11.62	11.57½	11.29½
Switzerland, frcs. to £ ...	22.59	22.51	22.59½
Stockholm, kr. to £......	16.86	16.81	16.59
Christiania, kr. to £	24.18	24.63	24.15½
Copenhagen, kr. to £...	20.79	20.70	21.63½
Helsingfors, mks. to £...	232	218	165
Italy, lire to £	84	85¾	89⅝
Madrid, pesetas to £ ...	28.73	28.23	28.07½
Greece, drachma to £ ...	101½	98½	53.55
Lisbon, escudo to d.	4⅜d.	4½d.	5½d.
Vienna, kr. to £...	33,000	32,500	1,475
Prague, kr. to £.........	235	237	287½
Budapesth, kr. to £......	3,900	3,925	—
Bucharest, lei to £	620	620	264½
Belgrade, dinars to £ ...	360	350	—
Sofia, leva to £	640	650	—
Warsaw, marks to £ ...	16,875	17,000	3,200
Constntnple, piastres to £	660	670	—
Alexandria, piastres to £	97½	97½	97½
Bombay, d. to rupee / Calcutta, d. to rupee	15 3/16d.	15¼d.	15⅝d.
Hongkong, d. to rupee ...	29½d.	29¾d.	29⅝d.
Shanghai, d. to tael	39d.	38½d.	38d.
Singapore, d. to $	27⅝d.	27⅝d.	28d.
Yokohama, d. to yen ...	25 15/16d.	26⅛d.	29½d.

UNEMPLOYMENT

	Mar. 27, 1922.	Mar. 20, 1922.	Mar. 13, 1922.	June 24, 1921.
Men	—	1,367,974	1,387,460	1,549,307
Women	—	293,088	303,156	477,627
Juveniles	—	99,014	101,783	150,965
Total	1,739,764	1,760,076	1,792,399	2,177,899
On relief work	—	139,584	not stated	—
Short time ...	223,000	236,000	242,107	—

COAL OUTPUT

Week ending	Mar. 25, 1922.	Mar. 18, 1922.	Mar. 11, 1922	Mar. 26, 1921.
	tons.	tons.	tons.	ton.
	4,929,300	4,956,900	4,995,900	48,105,280
	57,366,300	52,437,000	47,480,100	3,660,000

IRON AND STEEL OUTPUT

	1922. Feb.	1922. Jan.	1921. Dec.	1921. Feb.
	tons.	tons.	tons.	tons.
Pig Iron	300,100	288,000	275,000	463,600
Yr. to date	588,100	288,000	2,611,000	1,105,700
Steel	415,000	327,500	381,000	483,500
Yr. to date	742,500	327,500	3,624,800	976,900

PRICES OF COMMODITIES

METALS, MINERALS, ETC.

	Apr. 6, '22.	Mar. 29, 22.	Apr. 6, '21.
Gold, per fine oz.	95s. 0d.	95s. 3d.	104s. 11d.
Silver, per oz.	33⅝d.	33⅞d.	33¼d.
Iron, Sc'h pig No. 1 ton	£4.16.0	£4.16.0	£8.5.0
Steel rails, heavy ,,	£9.5.0	£9.5.0	£18.0.0
Copper, Standard ,,	£58.8.9	£57.18.9	£68.16.3
Tin, Straits ,,	£144.3.9	£143.1.3	£154.15.0
Lead, soft foreign ,,	£21.12.6	£21.12.6	£20.0.0
Spelter ,,	£26.0.0	£25.13.9	£24.15.0
Coal, best Admiralty ,,	27s. 6d.	27s. 6d.	57s. 0d.

CHEMICALS AND OILS

Nitrate of Soda, per ton	£16.0.0	£16.0.0	£22.10.0
Indigo, Bengal per lb.	10s. 0d.	10s. 0d.	10s. 0d.
Linseed Oil, spot per ton	£35.10.0	£36.0.0	£24.10.0
Linseed, La Plata ton	£18.10.0	£18.15.0	£13.15.0
Palm Oil, Benin spot ton	£33.10.0	£33.0.0	£33.0.0
Petroleum, w. white gal.	1s. 5d.	1s. 5d.	2s. 4¼d.
Turpentine cwt.	69s. 0d.	67s. 0d.	44s. 6d.

FOOD

Flour, Country, straights ex mill 280 lb.	42s. 3d.	43s. 6d.	62s. 6d.
Wheat, English Gaz. Avge. per 480 lbs.	52s. 0d.	52s. 6d.	89s. 1d.
Wheat, No. 2 Red Winter N.Y. per bush.	145 cents.	142 cents.	165 cents.

TEXTILES, ETC.

Cotton, fully middling, American per lb.	10.72d.	10.80d.	7.66d.
Cotton, Egyptian, F.G.F. Sakel per lb.	17.75d.	18.00d.	17.00d.
Hemp. N.Z. spot, per ton	£32.0.0	£34.10.0	£44.0.0
Jute, first marks ,,	£26.0.0	£25.12.6	£33.0.0
Wool, N.S.W. av. combing 64's per lb.	52d.	51d.	36d.
Rubber, Std. Crepe, lb.	8½d.	8d.	10½d.
Leather, sole bends, 14-16lb per lb.	2s. 5d.	2s. 5d.	2s. 6d.

OVERSEAS TRADE (in thousands)

	Feb., 1922.	Feb., 1921.	two months 1922.	two months 1921.	
	£	£	£	£	%
Imports	69,375	97,010	145,863	214,051	— 31
Exports	58,335	68,222	121,482	160,978	— 24
Re-exports	10,174	8,004	18,633	17,959	+ 3
Balance of Imports	766	20,784	5,748	35,114	— 83
Export cotton goods	13,446	20,137	30,259	44,109	— 31
Expt. woollen goods	3,986	5,854	8,997	13,756	— 33
Export coal value...	4,446	4,241	9,230	9,796	— 5
Do. quantity tons...	4,014	1,729	8,035	3,429	+134
Export iron, steel...	4,665	7,223	10,525	17,914	— 41
Export machinery...	4,636	6,398	10,436	14,458	— 27
Tonnage entered ...	2,568	2,537	5,474	5,461	—
,, cleared	3,903	2,616	7,821	5,233	+ 49

INDEX NUMBERS

United Kingdom— Wholesale (*Economist*).	Feb., 1922.	Jan., 1922.	Dec., 1921.	Feb., 1921.	July, 1914.
Cereals and Meat	948	907½	921¼	1,176½	579
Other Food Products ...	640½	654½	636	771	352
Textiles	1,037½	1,066½	1,106	1,038	616½
Minerals	696½	730	762	1,053	464½
Miscellaneous	936½	925½	931½	1,137½	553
Total	4,259	4,284	4,357	5,176	2,565

Retail—(Ministry of Labour)—	Feb., 1922.	Jan., 1922.	Dec., 1921.	Feb., 1921.	July. 1914.
Food only	177	179	185	263	100
All items	186	188	192	249	100

France—Retail (*Paris*)	Jan., 1922.	Dec., 1921.	Nov., 1921.	Jan., 1921.	July, 1914.
Food, Fuel, Lighting	319	323	326	370	100

Germany—Wholesale (*Frankfurter Zeitung*)	Mar. 1, 1922.	Feb. 1., 1922.	Jan. 1, 1922.	Mar. 1, 1921.	average 1913.
All Commodities	435	352	317	131	9.23

United States—Wholesale (*Bradstreet's*)	Mar. 1, 1922.	Feb. 1, 1922.	Mar. 1, 1921.	Aug. 1, 1914.
	$	$	$	$
All Commodities.	11.6001	11.4190	11.8560	8.7087

FREIGHTS

		Apr. 6, 1922.	Mar. 30, 1922.	Apr. 6, 1921.
From Cardiff to				
West Italy	(coal)	12/9	13/6	18/0
Marseilles	,,	12/3	12/9	16/0
Port Said	,,	14/6	14/6	17/6
Bombay	,,	21/0	21/0	23/0
Islands	,,	11/0	11/0	12/0
B. Aires	,,	17/0	16/6	20/0
From				
Australia	(wheat)	47/6	47/6	58/9
B. Aires	(grain)	22/6	22/6	37/6
San Lorenzo	,,	25/0	25/0	40/0
N. America	(grain)	3/6	3/9	5/6
Bombay	(general)	21/0	22/0	20/0
Alexandria	(cotton-seed)	12/0	12/0	13/0

TRADE OF COUNTRIES (in millions).

Country.		Months.	1921. Imports.	1921. Exports.	+ or — Exports.
Belgium	Fr.	12	10,054	7,147	— 2,907
Bulgaria	Leva	9	1,900	1,000	— 900
Denmark	Kr.	1†	102	80	— 22
Finland	Mk.	1†	146	146	—
France	Fr.	1†	1,488	1,639	+ 151
Germany	Mk.	1†	12,800	14,500	+ 1,700
Greece	Dr.	1†	159	83	— 76
Holland	Fl.	2†	304	190	— 114
Spain	Pes.	12	1,097	638	— 459
Sweden	Kr.	1†	76	61	— 15
Switzerland	Fr.	12	2,296	1,764	— 532
B. S. Africa	£	12	53	61	+ 8
Brazil	Mrs.	12	1,690	1,710	+ 20
Canada	$	12	799	816	+ 17
Egypt	£E	12	56	42	— 14
India	Rs	2†	52.98*	40.60*	— 12.38*
Japan	Yen.	2†	372	188	— 184
United States	$	2†	434	530	+ 96

*Lakhs. †1922.

SECURITY PRICES

BRIT. AND FOREIGN GOVT.

		Apr. 6, '22.	Mar. 29, '22.	Apr. 6, '21.
Consols		57⅞	56¼	48 1/16
War Loan	3½% ...	94½	93	85
Do.	4½% ...	94½	94	79
Do.	5% ...	99½	98¾	86 13/16
Do.	4% ...	100¾	99¾	93 5/16
Funding	4% ...	85⅛	84⅜	70⅛
Victory	4% ...	90⅛	88⅛	76¾
Local Loans	3% ...	63¾	63½	52¼
Conversion	3½% ...	74⅜	73¾	—
Bank of England		240	230	176½
India	3½% ...	65	62¾	55¾
Argentine (86)	5% ...	97½	97½	94
Belgian	3% ...	71¼	70	57
Brazil (1914)	5% ...	71¾	70¼	57
Chilian (1886)	4½% ...	79½	77	69½
Chinese	5% '96	93¼	91½	83½
French	4% ...	35½	35¼	33½
German	3% ...	2 9/16	2 5/16	6⅛
Italian	3½% ...	23½	24	21⅛
Japanese	4½% (1st)	102¼	103	106
Russian	5% ...	13	13	14½

RAILWAYS.

Great Central Pref.	17¾	16¼	9
Great Eastern	38¾	38½	27¼
Great Northern Pref.	60¾	59½	41½
Great Western	93¾	94	67
Lond. Brighton Def.	57	53½	40
Lond. Chatham	10¼	9¼	5⅝
L. & N.W.	92¾	93¼	71
L. & S.W. Def.	28	27¾	19
Metropolitan	42	39¾	23½
Do. District	33¾	32	14½
Midland Def.	60¾	61	43½
North Brit. Def.	16¼	15⅝	10¾
North Eastern	94½	91¾	72½
South Eastern Def.	34½	31¼	22
Underground "A"	6/9	6/9	6/3
Antofagasta	55	52	53
B.A. Gt. Southern	70½	67½	54XD
Do. Pacific	50	46	40
Canadian Pacific	157	157	143
Central Argentine	60½	57	51½
Entre Rios	17½	17	20
Grand Trunk	1½	1½	4¼
Do. 3rd. Pref.	4	4	12
Leopoldina	27	25½	21
San Paulo	110	108	123½
United of Havana	56	56	67½

INDUSTRIALS, ETC.

Anglo-Persian 2nd Pref....	24/3	23/10	—
Armstrongs	15/9	13/9	17/6
Brit.-Amer. Tobacco	75/6	73/9	67/6
Burmah Oil	5 11/16	5 7/16	7 3/32
Coats	59/6	57/0	45/0
Courtaulds	38/0	37/0	30/0XD
Cunard	19/0	18/6	18/9
Dorman Long	17/6	16/0	17/6
Dunlop	6/3	6/4½	11/3
Fine Spinners	36/6	35/6	36/9
Hudsons Bay	6 5/16	6 7/16	5¾
Imp. Tobacco	58/9	57/6	47/6
Listers	20/6	20/0	16/3
Marconi	2 3/16	42/0	2 1/16
Mexican Eagle	3 11/16	3 7/16	5⅝
P. & O. Def.	305	300	340
Royal Mail	22	85½	92½
Shell	5 1/32	4¾	5 1/32
Vickers	10/4½	8/9	12/6

New Issues

Commonwealth of Australia. The offer of a £5,000,000 5 per cent. Loan at 96, redeemable 1935-45, is an indication of how rapidly monetary conditions have changed. Three months ago the Commonwealth issued a loan for a similar amount, but the terms then were, 6 per cent. stock at 97, repayable in 1941. The stock is, of course, a trustee security.

Metropolitan Railway. Subscriptions were invited at 87 for £600,000 5 per cent. Preference Stock (a further part of £1,150,000 additional capital authorized to be raised and issued under the Metropolitan Railway Acts, 1912 and 1913). The capital is required for the general purposes of the undertaking and particularly to provide for the expenditure the Company are at present incurring in the provision of additional electrical power-plant and rolling stock to meet the needs of their increasing business. The amount of net revenue, after providing for renewals and the payment of all fixed charges as well as dividends on existing Preference stocks, was for the year 1921 £185,202, or more than six times the amount required to meet the dividend on the present issue. The stock is a trustee security and was quickly taken.

Swansea Gas Light. Subscriptions were invited at 98 for £200,000 6½ per cent. Debenture Stock, to be redeemed at par in June, 1937, and £250,000 7 per cent. Preference Stock, to be redeemed at par in June, 1932. Under the Swansea Gas Act, 1921, the company is authorized to charge such a price for gas as will produce the revenue necessary to pay debenture interest, preference dividend and dividends on its ordinary stock at the basic rates, namely 5 per cent. on the amount now outstanding and 7 per cent. on any amount which may hereafter be issued. Since 1861, the company has paid the maximum authorized rate of dividend of 5 per cent. on its ordinary capital with the exception of the three years 1918-1920, when, owing to war conditions, the authorized rate of dividend was limited to 3¾ per cent. per annum. Both stocks are attractive investments, though unlikely to enjoy a very free market, and were promptly placed.

Sheffield Steel Products. Subscriptions were invited at 80 to £500,000 6 per cent. Second Mortgage Debenture Stock, which, subject to £850,000 outstanding First Debenture Stock, will be secured by a Trust Deed, constituting it a second mortgage on the company's freehold and leasehold land and buildings, fixed plant and machinery and certain shares. It will be repayable at par on or before May 1, 1942, through a Cumulative Sinking Fund, by equal annual drawings in March of each year, the first of which will be made in 1925 and the last in 1942. The company reserves the right to purchase the stock in open market at a price not exceeding par (but such purchases are not to go in relief of drawings), and to pay off at par the whole or any part (to be determined by drawings) of the stock which may be outstanding, at any time on six months' notice. The prospectus states that the company "is the largest manufacturer of table cutlery in the United Kingdom and probably in the world. By the introduction of modern methods it is able to produce table cutlery, saws, files, spanners, pliers, etc., in larger quantities and at lower prices than any other firm in the country." The company's earnings and financial position are clearly set out, though the precise value of the assets on which the debenture stock is specifically charged should have been shown. The stock looks like a good industrial investment, and the drawings at par should put a comfortable tax-free bonus into the pockets of holders.

Czechoslovak State Loan of 1922. Authorized amount £10,000,000 or $50,000,000. An issue in London is offered at 96½ of £2,800,000 Eight per cent. Sterling Bonds, redeemable by a cumulative annual Sinking Fund of 1 per cent. to be applied half-yearly by the purchase of bonds under par, or by drawings at par, the first redemption taking place October 1, 1923. All bonds not redeemed thereby shall be due and payable on April 1, 1951. The Government has the right to redeem all outstanding bonds at 108 after May 1, 1932, on giving three months' notice. Principal and Interest are payable in London in sterling free from all Czechoslovak taxes, present or future. Funds for the service of the loan will be paid weekly to an approved bank for immediate remittance to London. The loan is the direct obligation of the State of Czechoslovakia, and is further secured by a first specific charge both on the receipts from the Customs Duties and on the net profits from the tobacco monopoly, and no further pledge of these revenues will be created ranking in priority to or *pari passu* with this charge until all the bonds secured thereby have been redeemed. An issue of $14,000,000 is being made in the United States and of £500,000 in Amsterdam, both forming part of the authorized loan of 1922. Subscriptions are received by Messrs. Barings, Messrs. Rothschild and Messrs. Schroder. The proceeds of the loan will be applied to essential works of public reconstruction and development, railways, canals and similar purposes, and to the repayment of temporary advances in connexion therewith. The issue of this loan marks the beginning of a new era, and every effort has evidently been made by its distinguished sponsors to provide investors with a security worthy of the occasion.

Whitehall Electric Investments. This company, with an issued capital of £6,500,000, divided into 1,500,000 7½ per cent. cumulative preference, and 5,000,000 ordinary shares of £1, announced an offer for sale of £2,500,000 6 per cent. First Mortgage Debenture Stock at 87½ and 1,500,000 preference shares at par. The Trust Deed will contain a covenant to provide an annual Sinking Fund beginning in 1925, equal to 2 per cent. of the total debenture stock issued, plus an amount equal to the annual interest on the debenture stock previously redeemed, and such amount will be applied in the purchase of stock at or under par or in redemption at par by drawings. The Trust Deed will reserve the right to increase the amount of the Sinking Fund in any year, and to issue further debenture stock to an amount not exceeding £2,500,000 in all, ranking *pari passu*, provided that the aggregate amount of any such other issues shall not exceed the amount of additional share capital which shall have been issued and paid for in cash. Any debenture stock not previously redeemed will be paid off at par on April 1, 1949. The Trust Deed securing the debenture stock will constitute it a first specific charge upon the following securities: (1) £2,715,556 sterling 8 per cent. First Mortgage Bonds of Compania Chilena de Electricidad. (2) £474,169 sterling 7 per cent. First Mortgage Debenture Stock of Compania Electrica de Tampico, S.A. (3) £636,000 sterling 5 per cent. Debentures of General Securities, Ltd., which company holds the majority of the common stock and also the following bonds of the Puebla Tramway, Light and Power Company: $2,042,840 (Canadian) Prior Lien 5 per cent. bonds, $2,457,400 (Canadian) First Mortgage 5 per cent. bonds. The Trust Deed will also constitute the debenture stock a floating charge upon the undertaking of the company and all its other assets, which include a majority of the share capital in the above three companies, and in the Vera Cruz Electric Light, Power & Traction, Ltd., Compania de Luz Electrica y Fuerza Motriz de Orizaba, S.A., and Compania Veracruzana de Luz y Fuerza, S.A. "In the opinion of the directors the securities and shares acquired by the company in the undertakings enumerated above are of a present value of more than three times the amount of the debenture stock, whilst the preference share capital after deducting the nominal value of the debenture stock is covered nearly four times.

As the development work proceeds the earnings should steadily increase from year to year, and it is estimated that in 1925 the net income of the company should amount to £700,000. The company is well backed and the interest and dividend on the securities offered seem to be fully covered. But the prospectus, or rathr "offer of sale," was a confusing document and might have been a good deal clearer. It is difficult to discover exactly what are the interests and securities acquired from the Whitehall Securities Corporation in return for its 5 million ordinary shares.

Porcupine-Davidson Gold Mines. Incorporated under the Ontario Companies' Act. Authorized capital £1,000,000 in 1,500,000 Preferred and 2,500,000 Ordinary shares of 5s. each. It has acquired the property and assets of the Davidson Gold Mines, Ltd., comprising "in particular the Davidson Gold Mine, wherein underground workings to a depth of 600 feet have developed an ore body of great width, value and persistency." The purchase consideration was £675,000, of which £625,000 was subsequently applied to the subscription of 700,000 Preferred and 1,800,000 Ordinary shares. A further 200,000 Preferred, subject to a commission of 10 per cent. payable by the company, have been subscribed by the Egyptian and Foreign Trust and the balance of 600,000 Preferred are under option to A. Mitchelson & Co., at par. Messrs. Mitchelson also receive a commission of 10 per cent. and have the right to apply at par for all or part of 400,000 Ordinary shares for a period of two years. These 800,000 Preferred shares have been offered for sale at par by the above-named concerns. The preferred shares carry the right to two-thirds of the profit distributed annually until 100 per cent. in dividends has been paid thereon, and thereafter are entitled to 20 per cent. non-cumulative dividend in priority to the ordinary share capital. Purchasers will be entitled upon payment in full to an Option Certificate, entitling the bearer for a period of two years, at par, for three ordinary shares of 5s. each, in respect of every complete block of eight preferred shares purchased. The ore reserves so far disclosed, including "probable" ore, are estimated at 350,000 tons, averaging $11 per ton extractable value; working costs are put at $4 per ton. The basis of this calculation of ore reserves is not stated in the prospectus. The mine is stated to be favourably situated for transport, timber, labour and power and to be "comparatively dry." The property has yet to prove itself as a profit-earner.

Dividends

African City Properties Trust.—Final 5½ p.c. on Ord., making 8 p.c. for yr.

Associated Portland Cement.—5 p.c. on Ord. for 1921.

Bobby & Co.—At 10 p.c. per annum on Ord. for year ended 10th February. Bonus to staff equivalent to 2½ p.c. on Ord. share capital.

Bristol Tramways & Carriage.—Final 4 p.c., tax free, on Ord., making 7 p.c., tax free, for 1921.

Cheviot Rubber.—5 p.c. for 1921.

Crosses & Winkworth.—Cumulative Participating Pref. dividend for six months ended 31st March deferred.

General Steam Navigation.—5 p.c., tax free, for 1921.

Globe & Phœnix Gold Mining.—First interim of 1s. per share, tax free.

Labu (F.M.S.) Rubber.—5 p.c. for 1921.

Lindoola Tea.—8 p.c. on Ord. for 1921.

London Guarantee & Accident.—Final 6s. on Ord., making 10s. for 1921, as compared with 9s. for 1920.

Furness Withy.—Interim at 5 p.c. per annum, tax free, on Ord.. for half-yr.

P. & O. Navigation.—At the rate of 5 p.c. per annum, less tax, on the Preferred and interim at the rate of 12 p.c. per annum, tax free, on Deferred, for half-yr. ended 31st March.

Royal Exchange Assurance.—Final 9 p.c., making 16 p.c. for 1921.

Sir W. G. Armstrong, Whitworth & Co.—Final 6d. per share, making 1s. per share for 1921. For 1920 2s. per share was paid.

Stock Exchange.—Final £5 per shr., making £8 per shr. for the yr., against £9 per shr. for previous yr.

Wright, Layman & Umney.—Final 17 p.c. on Ord., making 25 p.c. for 1921.

Foreign News

Germany. In his recent address to the shareholders of the Reichsbank, the president, Dr. Havenstein, laid special stress on the fact that at the end of the past year this institution held about 53½ per cent. of the floating debt of the Reich, as compared with 37.7 per cent. on December 31, 1920. He explained that, while the deposit and current account creditors of the German banks, which in 1913 stood at 30,000 to 35,000 million (gold) marks, reached now about six times that amount in paper marks, their actual value, measured by the depreciation of the currency, represented perhaps only one-third or one-fourth of the pre-war standard. Though the financial requirements of the industries, if converted into gold marks, had decreased, the investors preferred to embark on ventures offering greater chances of gain than the purchase of Government securities. Owing to this development, and in spite of the ease prevailing in the money market, the sale of Treasury bills on the open market had frequently become somewhat difficult, and this forced the State to fall back to a greater extent on the assistance of the Reichsbank. It may be remarked that the latter derived considerable profit from these transactions, as the gross receipts from interest, etc., for 1921, amount to 1,350 million marks, as compared with 406 millions for 1920. This increase, no doubt, is chiefly due to the larger Treasury bill operations.

Norway. Reference was made in these columns only last week to a proposal emanating from the Swedish State Bank, which has now been adopted, for the creation of a State-aided financial institution, which is to assist temporarily banks in trouble. In Norway, where a similar measure had been promoted some time ago by the State, in conjunction with the Bank of Norway and other leading banks, it is now being proposed to increase the existing emergency fund of 45 million kroner, which has been already trenched on by a further 75 million kroner, supplied by the three partners in equal shares. The usefulness of this supporting fund has been demonstrated recently, when several, not very important, though, from the economic point of view, helpful banks in the provinces, had to be supplied with fresh capital. In some instances this was rendered possible by amalgamations, but in several cases the exhausted funds were replenished by means of share issues guaranteed by the big Christiania banks. It is, perhaps, only one of these strange coincidences, that practically at the very moment, when the augmentation of the emergency fund was announced, it transpired that one of the more important institutions of the capital, the Centralbanken for Norge, proposed to increase its resources, amounting at present to 69 million kroner, including the reserve fund. A syndicate, headed by the Bank of Norway, is to put up for that purpose 50 million kroner. Curiously enough, this transaction is not to be carried out in the normal way, viz., by the creation of new shares, but the lenders are to receive loan-certificates, irredeemable before 1932, and bearing interest at the rate of 6 per cent., subject to an increase corresponding to any rise which may take place in the official rate of discount over and above that minimum. Between 1932 and 1942 the certificates are to be repaid out of the proceeds of new share issues. The Centralbanken was founded in 1900 and has absorbed two old-established private firms, one of whom dates back to 1769. It has a considerable industrial connection; this probably means, at the present juncture, more or less important frozen credits. Any inconvenience which otherwise might have arisen in connexion with these immobilizations, should now be forestalled by the influx of a fairly large amount of fresh capital into this apparently sound undertaking. A favourable interpretation of this transaction seems to be justified, in so far as nothing has been heard as to any proposal to squeeze out some of the existing share capital, which would prove that it is intact.

Publications Received

Burke's Company Tables 1922. A Ten Years' Summary of the Balance Sheets of the Leading Public Companies. The Burke Publishing Co. 27s. 6d.

London County Westminster and Parr's Bank Review. March. In addition to reports from the provinces and from Belgium, France and Spain there are articles upon a Problem of National Finance, Education and Economy, British Trade Returns and Commodity Prices.

Monthly Review of Business and Trade Conditions in South America. London and River Plate Bank.

Monthly Review. March. London Joint City and Midland Bank.

The Bulletin of the Federation of British Industries. April 4th. 1s.

The Founders of Political Economy. By Jan St. Lewinski. P. S. King. 6s. 6d.

What Should Germany Pay? League of Nations Union. 3d.

World Trade and World Recovery. By Mercator. Eveleigh Nash & Grayson. 4s. 6d.

Company Meeting

BRITANNIC ASSURANCE COMPANY, LIMITED

The Fifty-sixth Ordinary General Meeting of the shareholders of the Britannic Assurance Company, Limited, was held at the chief offices, Birmingham, on Friday, March 10, Mr. J. A. Patrick, J.P. (chairman), presiding. The following directors were also present:—Mr. J. A. Jefferson, F.I.A. (vice-chairman and general manager); Mr. R. S. Close, Mr. S. J. Port, Mr. J. Murray Laing, F.I.A., F.F.A. (secretary and actuary), Mr. W. Roscoe and Mr. A. M. Patrick.

The Secretary read the notice convening the meeting and the auditors' report.

The Chairman, in moving the adoption of the report, said:—It has been customary on similar occasions to take the directors' report and the accounts as read, and I presume it is your wish that we adopt a like course to-day. As I shall be followed by our vice-chairman and general manager, and he will go into the details of the accounts submitted, I do not propose to anticipate his remarks.

With these brief observations I now move: "That the report of the directors produced, together with the annexed statement of the company's accounts, for the twelve months ending December 31, 1921, duly audited, be received, approved and adopted."

Mr. J. A. Jefferson, seconding the report, said:—It gives me great pleasure to second the resolution now before the meeting, but before doing so I am sure you will expect that I should run briefly through the accounts for the year ending 1921 and deal with some of the more interesting features which appear therein.

I suppose there is not a general manager in the country, whether connected with insurance or any other form of industry, who, in the course of his remarks, would not have something to say about the abnormal conditions through which we have passed in the year under review and through which we are even now still passing. I refer, of course, to the unprecedented trade depression followed by the inevitable unemployment, and unfortunately both these depressing conditions were accentuated by very serious trade disputes.

As your Chairman has just said, and as I said in my remarks last year, I consider that an industrial assurance company is the most sensitive trade barometer in the world, for we are practically the first to feel the effects of any trade depression and its consequent unemployment, but, on the other hand, we are the first to feel the effects of any improvement in trade and employment.

The year has been a most anxious one for your directors, for we, like all other kindred institutions, felt that it would be impossible to forsake those policy-holders of ours who had been paying us premiums, many for some considerable time, at the moment when they fell on hard times through no fault of their own and owing to circumstances over which they had no control.

Last year you will remember I referred to the trade depression which had started, and of course as time went on the effect became more and more apparent, and it was only a week or two after our last annual meeting that we issued our first circular to our staff setting forth some very generous concessions to meet the situation as we then found it. Little did we think when we issued that circular that unemployment would become so acute, that we should have to face one of the most terrible trade disputes that this country has experienced, or that the trade depression would continue for so long. We have, however, from time to time, attempted to meet the situation on a broad-minded and liberal basis—a course which I am sure will be approved of by the shareholders. These concessions, stated briefly, are as follows:—In the case of whole-life policies we reduced the sum assured by an amount equal to twice the amount of arrears if the age did not exceed 50 years, and by an amount equal to one and a-half times the arrears if the age were over 50 years. In the case of endowment assurances maturing in a given number of years, the date of maturity was extended for a period corresponding to the number of weeks the policy was in arrear. This has meant that we have been able to save many thousands of our policy-holders from having to lapse their policies, and incidentally I may mention that it also did something towards relieving the unemployment in this City, for, in order to cope with the enormous amount of work entailed by these concessions we had to employ a temporary staff of 64 married ex-Service men, some of whom are still with us.

Our claims by death, which amounted to over half-a-million pounds, show a very slight increase in percentage to premium income, and the sums assured paid under maturing endowments, which amounted to no less than £123,000, also show a slight increase.

As regards the important question of expenses, which has been very much to the fore just recently, you will doubtless remember that last year I uttered a word of warning as to the future, and stated that I could see no hope of our expense ratio coming down. Although we have reduced our expenses from 47.41 to 45.59, my prophecy is none the less true, because the reduction is more than accounted for in the reduced amount spent in new business charges, and I am sure you, who understand our business, will be sorry that any saving in our expenses should be brought about in this manner, for, undoubtedly, any company, to be successful, must be progressive, and we are only too willing to pay a fair price for good sound business.

The only other item to which I should like to draw your attention is the amount received in interest, dividends and rents, and you will see that this item has increased over last year by the handsome sum of £35,000—giving us a gross interest yield of no less than £5 13s. 10d. per cent. and a net yield of £4 17s. 1¼d. per cent.—a rate which will compare very favourably indeed with that of any life assurance company, and on this point I shall have something further to say when dealing with the balance-sheet.

Turning now to the asset side, I should like to explain briefly the variations that have occurred under the various classes of securities. You will see that there is an increase of some £134,000 under the item of mortgages, and this, of course, is more than accounted for by the fact that we have, during the past year, advanced practically one-quarter of a million pounds under our house purchase scheme. As I informed you last year, every possible care is taken to see that the company is properly secured, and our actual experience shows the extreme care that has been exercised. I would like to say we believe that in this direction we are doing really good work, inasmuch as every man why buys his house by means of our scheme thereby becomes a property owner and a stakeholder in the stability of this country.

Our British Government securities, which now stand at over £2,400,000, have increased by over £95,000 and our holding of Indian and Colonial Government securities by approximately £234,000, and this latter item is accounted for by the fact that we have underwritten and applied for large blocks of the numerous Indian and Colonial Government loans that were issued during the period under review.

You will notice also that our holding of foreign Government securities has been increased by £132,000, and this is accounted for by the fact that we have supported the new loans issued by some of our late Allies, and have also taken advantage of the rate of exchange to purchase blocks of internal loans of European countries other than ex-enemy countries.

The next item which calls for any comment is the increase of £78,000 under the heading of "Debentures," and this is made up almost entirely of the first Debentures of well-known railways, and, to a much smaller degree, by first-class Industrial Debentures. You will notice that Railway Preference and Ordinary stocks have also increased by about £50,000, and as regards this item I can only say that we were fortunate enough to get in at the bottom of the market.

I would like to draw your attention to the fact that we have this year created a record in the history of the company in the amount added to our funds, such amount being practically three-quarters of a million pounds, and, as a further proof, if any be needed, of the soundness of our assets, I should like to say that during the last year we have sold approximately £1,000,000 of our existing holdings of Stock Exchange securities and reinvested in other Stock Exchange securities approximately £1,500,000—the average interest yield of these new investments (without allowing for redemption) works out at the handsome rate of £6 12s. 9¼d. per cent., and a comparison between the cost and market prices as at December 31 last shows an actual appreciation of no less than £90,000. If, of course, you were to take the market prices as at to-day's date this appreciation would be very much enhanced.

As I have already stated, our gross interest yield on the whole of our funds has reached the very satisfactory figure of £5 13s. 10d. per cent., and you will appreciate how the excellent investment opportunities which arose last year have helped towards this end, but I am afraid it will become more and more difficult in the future to invest our new money to give us such a high yield as we were able to obtain last year, but fortunately we held a very small amount of short-dated securities, and practically the whole of our new investments have been placed in long-dated securities, and, as a final word on this subject we are able to report that no less than 98½ per cent. of our total funds are interest bearing.

I have much pleasure in seconding the resolution proposed by our Chairman.

The report was adopted, and Messrs. J. A. Patrick and J. Murray Laing were re-elected directors. The auditors, Messrs. Flint and Thompson, were re-elected.

Printed and Published for the Proprietors, The Saturday Review, Ltd., 9, King Street, Covent Garden (Telephone: Gerrard 3157, two lines), in the Parish of St. Paul, in the County of London, by Herbert Reiach, Ltd., 24, Floral Street, Covent Garden, W.C.2; *Saturday, April 8, 1922.*

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